

## CHAPTER 58

PAY AND ALLOWANCES FOR INACTIVE DUTY TRAINING5801 GENERAL PROVISIONS580101. Entitlement and Computation of Basic and Special Pay

A. Inactive Duty Training With Pay. A member of a Reserve Component is entitled to compensation at the rate of one-thirtieth of the basic pay prescribed for grade and years' service for the performance of each authorized period of:

1. Regular inactive duty training (drill or unit training assembly (UTA));
2. Equivalent training, instruction, or duty;
  - a. Army: For details and exceptions, see AR 140-1 and NGR 350-1 (reference (df)).
  - b. Navy: See BUPERS Instruction 1001.39 Series (reference (dg)).
  - c. Air Force: See ANGM 50-01 and Table 11-1, AFR 35-41 (reference (dh)).
  - d. Marine Corps: See MCO P1001R.43 (reference (di)).
3. Appropriate duty;
4. Additional flying training period (AFTP); or
5. Additional inactive duty training.

To qualify for pay for a period of inactive duty training, each member must engage in such duty or training for the period (not less than 2 hours) prescribed by the Secretary of the Military Service concerned. Compensation will not accrue for periods of inactive duty performed in excess of the number authorized by the appropriate regulations of the Military Service concerned. NOTE: A member cannot qualify for pay for more than two periods of inactive duty training during a single calendar day.

B. Inactive Duty Training Without Pay. Members of the Reserve Components may, with their consent, be ordered to inactive duty training without pay when authorized by the Secretary of the Military Service concerned.

C. Combination Active Duty and Inactive Duty. A member of a Reserve

Component may be paid the equivalent total of more than 360 days' pay in a year, when so directed, if this total is based on a combination of active duty pay and inactive duty training compensation.

580102.     Limitation. A member cannot accrue compensation for inactive duty training performed on a day on which also entitled to basic pay for active duty or active duty for training or on a day on which entitled to muster duty allowance.

580103.     Waiver of Benefits. The provisions of Chapter 57, paragraph 570104 apply to members of the Reserve Components who perform inactive duty training in a pay status.

580104.     Allotment of Pay. Except as prescribed in Chapter 57, paragraph 570708, members of the Reserve Components are not authorized to allot inactive duty training compensation.

580105.     Special Pays

A.     Members of the Reserve Components are not entitled to special pay for periods of inactive duty except as noted in the following subparagraphs.

B.     A member of a Reserve Component who meets the requirements of Chapter 19, section 1901, and any additional requirements of the Military Service concerned, is entitled to foreign language proficiency pay for each regular period of instruction or period of appropriate duty at which the member is engaged for at least 2 hours. This includes instruction received or duty performed on a Sunday or holiday and each period of performance of such equivalent training, instruction duty, or appropriate duties as the Secretary concerned may prescribe.

C.     A member under conditions cited in subparagraph B, above, is entitled to an increase in compensation equal to one-thirtieth of the monthly special pay authorized under Chapter 19, paragraph 190103.

D.     A member of a Reserve Component who meets the requirements of Chapter 11, based on diving duty performed on and after 1 April 1988, is entitled to diving duty pay for each regular period of instruction, or period of appropriate duty at which the member is engaged for at least 2 hours. This includes instruction received or duty performed on a Sunday or holiday and each period of performance of such equivalent training, instruction duty, or appropriate duties as the Secretary concerned may prescribe.

E.     A member under conditions cited in subparagraph D, above, is entitled to an increase in compensation equal to one-thirtieth of the monthly special pay authorized for performance of diving duty for the comparable diving classification under Chapter 11, section 1103.

580106.     Muster Duty Allowance (MDA) for Reservists

A. Entitlement. A member of the Ready Reserve who is not a member of the National Guard or the Selected Reserve is entitled to a MDA for a minimum of 2 hours muster duty performed pursuant to 10 U.S.C. 687 (reference (c)). MDA is paid once during a calendar year.

B. Amount Payable. Refer to Joint Federal Travel Regulations (JFTR), Volume 1, Chapter 7 (reference (d)), for MDA amount, established yearly, effective 1 January of each year. The MDA amount is payable effective 1 January of each year. The MDA amount is payable regardless of pay grade.

C. Collect:

1. FITW at the rate for one-time payments.
2. SITW at the rate appropriate for one-time payments.
3. SGLI premium of \$.50 or \$1.00. Members who perform muster duty are covered part-time under the SGLI Program. Coverage is at the maximum Basic Coverage rate of \$100,000 with a \$.50 deduction unless the member elects to waive coverage or applies (elects) for SSGLI at the maximum additional rate of \$100,000 with a deduction of \$1.00. Members may be covered for either \$100,000 or \$200,000, or may decline coverage. See Table 47-1 for coverage effective dates.
4. Do not collect FICA taxes.

D. Pay the allowance on or before the date muster duty is performed. The Ready Reservist is not entitled to other payment of any kind, including inactive duty training compensation under paragraph 580101, above, for the performance of a muster duty.

580107. Designated Unit Pay

A. An enlisted member assigned to a unit designated as a high priority unit of the Selected Reserve of the Ready Reserve by the Secretary concerned is, while performing inactive duty training for compensation, entitled to a maximum of \$10 designated unit pay for the performance of each authorized period of:

1. Regular inactive duty training (drill or unit training assembly); or
2. Equivalent training, instruction, or duty, provided each authorized period is not less than 4-hours duration. Authorized periods may be performed on a Sunday or a legal holiday.

B. An enlisted member of designated unit is entitled to designated unit pay for authorized periods of drill or duty performed with a nondesignated unit, but enlisted members

of a nondesignated unit may not receive designated unit pay for authorized periods of drill or duty performed with a designated unit.

C. Designated unit pay is subject to federal and state withholding, but is not subject to FICA taxation.

★D. No payment of designated unit pay may be made for any period before the date the Secretary concerned designates a unit as a high priority unit, nor may any payment be made for any period of drill or instruction performed after 30 September 1998.

## 5802 INCENTIVE PAY

580201. Entitlement. Members of the Reserve Components who are in a pay status are entitled to incentive pay for hazardous duty performed during periods of inactive duty training if serving under competent orders and otherwise meets the requirements of this section. Members entitled to incentive pay for hazardous duty are entitled to an increase in compensation equal to one-thirtieth the applicable monthly rate for each authorized period of inactive duty training of not less than 2 hours.

580202. ACIP (Continuous or Conditional) or HDIP. Members of the Reserve Components who perform inactive duty training in a pay status are entitled to ACIP or incentive pay for flying under the conditions of Chapter 22, sections 2201 or 2202. Effective 12 July 1973 the provision of subparagraphs 220103.A.1 or 220203.A.1 regarding the use of hours flown during the preceding 5 months not already used to qualify for flight pay, are equally applicable to members otherwise eligible who are performing inactive duty training. Exception: Minimum flight requirements are one-half of those prescribed for a member on active duty, that is, 2 hours per month when the calendar month is the unit period. If a fraction of a calendar month is the unit period, flying time required for such period will be as shown in Table 22-2 under "Inactive Duty." A member who has performed less than the total number of regularly scheduled drills or unit training assemblies during a month or a fractional part of a month must meet the minimum flight requirements for the month or fraction thereof, in order to be entitled to any flying pay for the drills or unit training assemblies actually performed. When scheduled inactive duty training was not attended and performed in a subsequent month, flying pay for such period(s) is payable, provided the member met minimum flight requirements for each period involved.

A. Combined Flight Requirements. Flying time accumulated during periods of active duty or active duty for training may not be used to satisfy inactive duty flight requirements.

1. Active Duty During One Calendar Month. Flying time accumulated during periods of inactive duty training which is in excess of inactive duty flight requirements may be applied to active duty or active duty for training flight requirements. However, requirements for the inactive duty training portion of the month must be satisfied before flying time can be applied to the active duty or active duty for training portion.

Example 1: A member performs 15 days active duty and is in an inactive duty training status 15 days in the same calendar month. The member must perform 3 hours of flying to qualify for incentive pay for that month; 2 hours for the active duty (15/30ths of 4 hours) and 1 hour (15/30ths of 2 hours) for the inactive duty training. Excess flying hours accumulated during inactive duty training under subparagraphs 220103.A.1 or 220203.A.1 may be used to meet the requirements for this entire period, if available.

Example 2: A member reported for active duty for training for the period 1-15 January. The member completed 4 hours of flying during this time. Member performed no flights on inactive duty training 16-31 January. Credit flying pay for the period 1-15 January only, unless the member has excess flying hours accumulated from prior periods of inactive duty training under Chapter 22, subparagraphs 220103.A.1 or 220203.A.1. In this case, the member also may receive flying pay credit for the period 16-31 January.

2. Active Duty of Less Than One Calendar Month Covering Parts of Two Calendar Months. When active duty of less than 1 month covers parts of 2 consecutive calendar months, flights performed on inactive duty training may be combined to satisfy requirements for the whole period of active duty if the inactive duty flight requirements for both months have been met.

Example 1: A member performed 3.4 hours of flying while on an inactive duty training status from 1-23 April. The member did not fly during active duty for training period of 24 April-7 May or while in an inactive duty training status 8-31 May. A total of 1.1 excess flying hours were accumulated before 1 April. Flying time of 3.4 hours is first applied to the inactive duty training flight requirements for April (1.6 hours) and then to active duty flight requirements for April (1.0 hours). The .8 excess flying hours during April added to the 1.1 excess flying hours accumulated before April results in 1.9 excess flying hours available to apply against May flight requirements. May flight requirements total 2.6 hours (24 days inactive duty requires 1.6 hours; 7 days' active duty requires 1.0 hours; see Table 22-2.) Accumulated excess hours are first applied to the inactive duty training flight requirements. Do not credit pay for the period 1-7 May since only 0.3 unused hours available is less than the 1.0 hours requirement.

Example 2: A member performed the following flights while on active and inactive duty training during parts of 2 calendar months. No excess flying hours were available on 1 March.

<u>Periods</u>	<u>Time Flown</u>	<u>Flight Requirements</u>
(Inactive)		
1-15 Mar	1.8 hrs	1 hr
(Active)		
16-31 Mar	1.2 hrs	2.2 hrs
(Active)		
1-9 Apr	1 hr	1.2 hrs

(Inactive)

10-30 Apr

1.6 hrs

1.4 hrs

NOTE: The continuous period of active duty training (16 March-9 April) is a unit period of 25 days requiring 3.4 hours flying time. For that reason, the 31st day of March imposes required flying time. Since this member is unable to meet the flight requirements for the active duty flight period which covers parts of 2 calendar months, it is necessary to determine if the member can meet the single month's requirements. The month of March standing alone requires a composite of only 3 hours of flying time, and the month of April requires 2.6 hours. Thus, the member qualifies for flying pay for each inactive duty period and for the active duty training periods.

B. Additional Flying Training Periods. A member who performs an additional flying training period (AFTP) in a pay status if otherwise qualified is entitled to incentive pay for flying if member meets the flight requirements of this paragraph for the month in which the AFTP is performed. Flying time accumulated during an AFTP may be used to satisfy requirements for inactive duty training. Flying time accumulated in excess of inactive duty flight requirements may be used to satisfy flight requirements for periods of active duty or active duty for training under the provisions of subparagraphs A.1 and 2, above.

C. Operational Flying. Flying duty required by competent orders and performed by members of a Reserve Component, irrespective of unit of assignment, is considered to be operational flying.

580203. Continuous ACIP. An officer of a Reserve Component who performs inactive duty training in a pay status is entitled to continuous ACIP as long as the requirements are met for an aviation service career (not on extended active duty) defined in the Definitions and the provisions of Chapter 22, section 2202.

580204. Submarine Duty Pay. A member of a Reserve Component who participates in scheduled drills aboard a submarine during underway operations, while under competent orders, and in a pay status, is entitled to incentive pay for submarine duty.

580205. Parachute Duty Pay. A member of a Reserve Component who performs inactive duty training in a pay status is entitled to incentive pay for parachute duty under the provisions of Chapter 24, section 2402.

A. Parachute jumps performed during periods of inactive duty training or active duty for training qualify a member for incentive pay for either type of duty.

B. Parachute jumps performed while on extended active duty do not qualify a member for incentive pay for inactive duty training. (See Chapter 57, paragraph 570101, note.)

580206. Flight Deck Duty, Demolition Duty and Experimental Stress Duty. A member of a Reserve Component who performs inactive duty training in a pay status is entitled

to incentive pay under provisions of Chapter 24.

5803 RESERVED

5804 ALLOWANCES

580401. Clothing Monetary Allowances, Enlisted Members. Except as provided for in subparagraphs A through C, below, an enlisted member of a Reserve Component is not entitled to any cash clothing allowances when on inactive duty training.

A. Special Initial Clothing Monetary Allowance (Navy). Enlisted members of the Naval Reserve who are assigned to Selected Reserve units or non-pay units are entitled to a special initial clothing monetary allowance in the amount of one-half the special initial clothing monetary allowance prescribed for chief petty officers on active duty:

1. Upon first promotion to chief petty officer;
2. Upon joining a pay selected Reserve unit or non-pay unit, if in pay grade E-7 or above, and have not previously been paid a cash clothing allowance for an initial outfit of clothing.

B. Quarterly Maintenance Clothing Allowance (Navy). Chief petty officers of the Naval Reserve who are assigned to Selected Reserve units, or non-pay units, and who have participated in a minimum of 75 percent of the regularly scheduled drills in the quarter concerned are entitled to a Reserve quarterly maintenance clothing allowance (RMA) in the amount of \$9 per quarter. Participation in authorized equivalent drills and drills missed as a result of active duty for training will be considered participation in regularly scheduled drills for purposes of entitlement to a RMA. A chief petty officer who is advanced to that grade or who becomes a member of a pay unit in a pay or non-pay status on other than the first day of a quarter is not entitled to a quarterly allowance until the first day of the next quarter. The allowance will not be paid for a fractional part of a quarter.

C. Initial Cash Allowance for Female Enlisted Member. A female enlisted member of a Reserve Component is entitled to an initial cash allowance for the purchase of underclothing and personal items not available in the defense supply system as determined by the Secretary of the Military Service concerned. (See Chapter 29, paragraph 290205.)

580402. Officers' Uniform and Equipment Allowances

A. Initial Uniform Allowance. An officer of a Reserve Component is entitled to an initial uniform allowance upon completing 14 periods of inactive duty training as an officer in the Ready Reserve, provided each period is of at least 2 hours duration. See also Chapter 30, section 3002.

B. Repeal and Save Pay Provision of Uniform Maintenance Allowance. The

authority (37 U.S.C. 416(a) (reference (aa)) for payment of the uniform maintenance allowance in subparagraph C, below, was repealed by the Congress effective 29 November 1989. However, a save pay provision was enacted which provides that an officer of a Reserve Component who, but for the repeal of the authority for the uniform maintenance allowance, would have become entitled to such allowance before the end of the one-year period beginning on 29 November 1989, shall be entitled (during such one-year period) to receive the allowance as in effect on 28 November 1989.

C. Uniform Maintenance Allowance. An officer of a Reserve Component who has not become entitled to a uniform allowance during the preceding 4 years is entitled to \$50 as reimbursement for the purchase of required uniforms and equipment upon completion of each period, after 9 July 1952, of 4 years of satisfactory federal service (SFS) in an active Reserve status in one or more Reserve Components, including at least 28 days of active duty or active duty for training. A year of SFS is any year in which member is credited with 50 points earned as a member of a Reserve Component of an Armed Force or in the Army or Air Force without component.

1. Restrictions. The following periods of service will not be included in the computation of 4 years of SFS:

- a. Any period of active duty or active duty for training of more than 90 consecutive days.
- b. Any period of duty during which the officer is not required to wear the uniform.
- c. Any service as an enlisted member of the Reserve Components.
- d. A 4 year period of SFS completed before 3 October 1964 if part of the service was performed in a different Reserve Component. However, a 4 year period of SFS completed on or after 3 October 1964 may include service in a different Reserve Component, even though such service was performed before 3 October 1964. (See example 1.)

2. Examples, Uniform Maintenance Allowance (UMA):

Example 1: An officer completed 2 years of SFS in the Air Force Reserve on 3 March 1965, at which time the Reserve unit was deactivated. On 1 April 1965, the officer transferred to an ANG unit thereafter earning points as follows:

1 Apr 1965 - 31 Mar 1966	50 points
1 Apr 1966 - 31 Mar 1967	50 points

On 1 April 1967, it was determined that the officer had completed 2 years of SFS in the ANG as of 31 March 1967. This may be combined with the 2 years of SFS earned in the Air



Force Reserve unit to qualify the officer for a \$50 UMA as of 31 March 1967.

Example 2: An officer completed 2 years of SFS in the Army Reserve on 31 March 1963, at which time the Reserve unit was deactivated. On 1 April 1963, the officer transferred to an ANG unit, and was paid an initial uniform allowance because a different uniform was required, thereafter earning points as follows:

1 Apr 1963 - 31 Mar 1964	50 points
1 Apr 1964 - 31 Mar 1965	50 points
1 Apr 1965 - 31 Mar 1966	50 points
1 Apr 1966 - 31 Mar 1967	50 points

On 1 April 1966, it was determined that the officer had completed 2 years of SFS in the ANG as of 31 March 1966. This may be combined with the 2 years of SFS earned in the Army Reserve to give the officer a total of 4 years of SFS. However, a UMA was not payable until 1 April 1967, 4 years after the date the officer was paid the initial uniform allowance. Note that the required period of 4 years since entitlement to the last allowance (an initial allowance in this case) does not have to be 4 years of SFS.

Example 3: An officer completed 2 years of SFS in the Army Reserve on 31 March 1963 and transferred to the Marine Corps Reserve on 1 April 1963. The officer was immediately called to active duty for more than 90 days and qualified for both the initial and active duty allowances, thereafter earning points as follows:

1 Apr 1963 - 30 July 1963	(Note 1)
1 July 1963 - 31 Mar 1964	30 points
1 Apr 1964 - 31 Mar 1965	50 points
1 Apr 1965 - 15 July 1965	(Note 2)
1 Apr 1965 - 31 Mar 1966	30 points
1 Apr 1966 - 31 Mar 1967	50 points

NOTES:

1. Active duty (must be excluded).
2. Active duty (must be excluded, officer did not qualify for active duty allowance).

On 1 April 1965, it was determined that the officer completed 1 year of SFS for UMA purposes as of 30 June 1964.

On 1 April 1966, it was determined that the officer had not completed another year of SFS for UMA purposes as of 30 June 1965 because the period of active duty, 1 April, 15 July 1965, had to be excluded. However, it was determined that the year of SFS was completed as of 31 Oct 1965. These 2 years may be combined with the 2 years of SFS earned in the Army Reserve to give the officer 4 years of SFS. However, payment of the \$50 UMA could not be made until 1 April 1967, 4 years after entitlement to last allowance.

Example 4: An officer began a 4-year period of federal service on 1 July 1949, and earned points as follows:

1 July 1949 - 30 June 1950	50 points
1 July 1950 - 30 Sep 1950	(Note)
1 July 1950 - 30 June 1951	30 points
1 July 1951 - 30 June 1952	50 points
1 July 1952 - 30 June 1953	50 points
1 July 1953 - 30 June 1954	50 points

NOTE: Active duty (more than 90 days, must be excluded; officer did not qualify for active duty allowance).

While this officer had completed the 4 years of SFS on 30 September 1953 to qualify for the \$50 UMA, this could not be determined until 1 July 1954, when the officer completed the year of SFS from 1 July 1953 to 30 June 1954, and was credited with the \$50 UMA on 1 July 1954.

Example 5: An officer began a 4-year period of federal service on 1 July 1949, and earned points as follows:

1 July 1949 - 30 June 1950	50 points
1 July 1950 - 30 June 1951	30 points
1 Oct 1950 - 31 Dec 1950	(Note)
1 July 1951 - 30 June 1952	50 points
1 July 1952 - 30 June 1953	50 points
1 July 1953 - 30 June 1954	50 points
1 July 1954 - 30 June 1955	50 points

NOTE: Active duty (more than 90 days, must be excluded, officer qualified for active duty allowance of \$100).

On 1 July 1954, it was determined that the officer had completed 4 years of SFS as of 2 October 1953. However, the member was not entitled to the \$50 UMA until 4 years after date of entitlement to the last allowance, which was 1 October 1950. The member was credited with the \$50 UMA on 1 October 1954.

## 5805 MISCELLANEOUS PAYMENTS

### 580501. Pay and Allowances While Disabled

See Chapter 57, paragraph 570604 for a member of a Reserve Component who is disabled while performing inactive duty training.

580502. Payment on Behalf of Deceased Members

A. Death Gratuity. The eligible beneficiaries of a member of a Reserve Component are entitled to payment of death gratuity, regardless of whether death occurred in the line of duty or was the result of the member's misconduct, if member dies:

1. While on inactive duty training.
2. While traveling directly to or from inactive duty training.
3. Within 120 days after discharge or release from inactive duty training, if the Department of Veteran's Affairs (VA) determines that death resulted from an injury or disease incurred or aggravated while performing, or traveling directly to or from such training.

B. Eligible Beneficiaries. The provisions of Table 36-1 apply to members of the Reserve Components.

C. Determining Eligible Beneficiaries. The provisions of Chapter 36, paragraph 360104 apply to members of the Reserve Components.

D. Determination Affecting Entitlement. The provisions of Chapter 36, paragraph 360105 apply to members of the Reserve Components.

E. Amounts Payable. The provisions of Chapter 36, paragraph 360106 apply to members of the Reserve Components.

F. Expediting Payments. The provisions of Chapter 36, paragraph 360107 apply to members of the Reserve Components.

G. Erroneous Payment. The provisions of Chapter 36, paragraph 360109 apply to members of the Reserve Components.

H. Settling Deceased Member's Accounts. The provisions of Chapter 36, section 3602, apply to members of the Reserve Components.

580503. Disability Severance Pay

A. A member who performs inactive duty training and is separated for physical disability due to injury which was the proximate result of the performance of such duty, is entitled to severance pay if otherwise qualified under appropriate personnel regulations.

B. Computation of severance pay will be as prescribed in Chapter 35.

580504. Reservists' Special Separation Pay (RSSP)

A. Eligibility. Upon approval of the Secretary concerned, pay RSSP to a Reservist who has served more than 20 years of service but who has not reached his/her 60th birthday and meets the following conditions:

1. The member must apply for such pay and request transfer to the Retired Reserve on or after 11 March 1993.

2. The member must have completed at least 20 years of service computed under 10 U.S.C. 12732 (reference (c)), and qualified to receive nonregular retired pay (except for having reached the age of 60), not later than 30 September 1999.

3. Members who are authorized to receive early (completed at least 15 but less than 20 years of service as computed under 10 U.S.C. 12732 (reference (c))) nonregular retired pay at age 60 are not authorized to receive RSSP.

4. Members are not eligible to receive RSSP if the member is entitled to immediate payment of retired or retainer pay based solely on military service.

B. Computation of Annual Payment

1. Using an official statement of service, determine the member's total years of creditable service under 10 U.S.C. 12732 (reference (c)) as of the date of transfer to the Retired Reserve. (Do not pay RSSP if the member has less than 20 years of service.) Round total years down to the nearest whole year.

2. Using the total years determined above, determine the multiplier from the following Table:

<u>Years of Service</u>	<u>Multiplier</u>
20	5.0%
21	5.5%
22	6.0%
23	6.5%
24	7.0%
25	7.5%
26	8.0%
27	8.5%
28	9.0%
29	9.5%
30 or more	10.0%

3. Compute annual RSSP installment by multiplying 12 times the monthly basic pay to which the member would be entitled if the member were serving on active duty on the date the member transfers to the Retired Reserve times the multiplier.

4. Subject to the exception set out below, pay the member a maximum of five installments, the number of installments being as determined by the Secretary concerned. Pay the first installment on the member's date of transfer to the Retired Reserve. Any additional installments are due on successive anniversary dates. Do not make any payments after a member reaches age 60. For transfers which occur after 5 October 1994, prorate any installment, including the initial payment, which is due the member after the member's 59th birthday but before the member's 60th birthday. See example 2 below.

Example 1: A member who was born 5 June 1937, and who has 23 years 10 months of creditable service under 10 U.S.C. 12732 (reference (c)), and who has 28 years total service for pay purposes (includes service not creditable under 10 U.S.C. 12732 (reference (c))), transfers to the retired reserve on 19 June 1993, in the grade E-8, and the Secretary concerned approves payment of RSSP. Years of creditable service for RSSP purposes is 23 years (the 10 months are rounded down), with a multiplier of 6.5 percent basic pay for an E-8 with 28 years for pay purposes is \$2808.60. The member's RSSP is \$2190.71 ( $\$2808.60 \times 12 \times .065$ ). Pay an initial installment of \$2190.71 on 19 June 1993, with additional installments on 19 June 1994, 19 June 1995, and 19 June 1996. Since the member's 60th birthday will occur before the next installment date of 19 June 1997, no further payment will be made.

Example 2: On 30 June 1995, a member who was born on 5 December 1936, transfers to the Retired Reserve with entitlement to two years of RSSP at the rate of \$6,000 per year, as determined by the Secretary concerned. The initial payment is in the full amount. The second installment, however, is due on 30 June 1996, which is after the member's 59th birthday but before his 60th birthday. Prorate for each full month between the due date and the member's sixtieth birthday. In this case, this means a payment of 5/12ths of \$6,000, or \$2,500.

5. Withhold taxes from the initial payment at the rate appropriate for one-time payments for both federal and applicable state tax withholding purposes. Withhold taxes from any other RSSP installment payments at the rate appropriate for salaries paid on an annual basis, currently set forth for federal withholding purposes at Table 7 of IRS Circular E (reference (cf)). When withholding taxes payments under Table 7, give appropriate consideration to any withholding exemptions claimed by the member on a Form W-4.

6. Receipt of these annual payments does not decrease or otherwise affect the retired pay to which the member is entitled at age 60.

7. In the event of the member's death, do not make any remaining annual payments.

580505. Reservists' Involuntary Separation Pay (RISP)

A. Payment. Upon approval by the Secretary concerned, and subject to the restrictions in this paragraph, pay RISP to a member of a Selected Reserve who has at least 6 years but less than 15 years of service under 10 U.S.C. 12732 (reference (c)) as of the date of

discharge from a Reserve Component or involuntary transfer from the Selected Reserve. Do not make payment if the separation occurs before 11 March 1993.

B. Computation

1. Using an official statement of service, determine years of service under 10 U.S.C. 12733 (reference (c)), computing to three decimal places and rounding to two decimal places. Do not include in the 10 U.S.C. 12733 (reference (c)) service any days or points for which the member previously received separation, severance, or readjustment pay.

2. Multiply the number of years of service under 10 U.S.C. 12733 (reference (c)) times 0.15 times 62 times the member's daily rate of basic pay if serving on active duty as of the date of separation or transfer from the Selected Reserve. The product is the RISP.

Example: A member who is an E-5 over 8 years total service for pay purposes (daily rate of pay \$47.55) and a total of 1,760 retirement points credit is approved for discharge on 27 August 1993, by the Secretary concerned. Compute RISP as follows: Divide total Retirement Points Credit 1,760 by 360 = 4.89 years (computing to 3 decimal places rounding to 2 decimal places) x 15% x 62 x \$47.55 (daily rate of pay) = \$2,162.43 RISP.

3. Withhold federal and state income taxes in accordance with Defense Finance and Accounting Service Headquarters guidance. RISP payments are not subject to FICA or Medicare taxes.

4. A recipient of RISP who later receives basic pay, inactive duty training compensation, or retired or retainer pay, shall have such pay, compensation, or retired pay reduced by 75 percent until the total reductions equal the total RISP received.

5. A member who has received RISP who later receives disability compensation from the Department of Veterans Affairs shall have deducted from such disability compensation the total amount of RISP, except there shall be no such reduction if the disability compensation is for a disability incurred or aggravated after the period for which the RISP was paid.

6. Members who are authorized to receive early (completed at least 15 but less than 20 years of service as computed under 10 U.S.C. 12732 (reference (c))) nonregular retired pay at age 60 are not authorized to receive RISP.

5806 DEDUCTIONS AND COLLECTIONS

580601. Income Tax Withholding. The provisions of Chapter 57, paragraph 570701 apply to members of the Reserve Components who are performing inactive duty training.

580602. Federal Insurance Contributions Act (FICA). See Chapter 45.

580603. Courts-Martial Sentences. The provisions of Chapter 48 apply to members of the Reserve Components who are performing inactive duty training.

580604. Nonjudicial Punishment

A. The provisions of Chapter 49, except paragraph 490302, apply to members of the Reserve Components who are performing inactive duty training.

B. The maximum forfeiture to which a member of a Reserve Component is subject, while in an inactive duty status, is limited to one-half of the inactive duty training compensation to which entitled during the period of the sentence. This applies also to a member who is on active duty for training when the nonjudicial punishment is imposed, and reverts to an inactive duty status during the period of the sentence.

580605. Stoppages and Collections Other Than Courts-Martial Forfeitures. The provisions of Chapter 50, apply to members of the Reserve Component who are performing inactive duty training. Remission of indebtedness is not applicable to members in an inactive duty status.

580606. Waiver of Claims for Erroneous Payment of Pay and Allowances. See Chapter 50, paragraph 500601.

580607. Legal Process for the Enforcement of Child Support and Alimony Obligations. See Chapter 50, paragraphs 500201, 500202, and 500203.

5807 SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) PROGRAM

580701. Definitions. See Chapter 47, section 4701.

580702. Part-Time Coverage. The SGLI Program is administered by the VA.

★A. Basic Coverage. Effective 1 April 1996, this program automatically insures eligible members against death in the amount of \$200,000 while the member is performing active duty or active duty for training for an ordered period of 30 days or less, or is performing inactive duty training. Members may elect coverage for less than \$200,000, in \$10,000 increments, or may elect to decline coverage.

NOTE: All Selected Reservists and any other Ready Reserve members who are assigned or attached to a unit or position that may require performing active duty or active duty for training and that will require at least 12 scheduled periods of inactive duty for training annually are covered full-time. (See Chapter 47 for full-time coverage policy and procedures.)

★B. Changes in Coverage. A member who is covered for an amount less than maximum SGLI coverage may later apply for increased coverage in writing, in an amount of up to \$200,000 with proof of good health. See Table 47-1, note 7, for the only exception to the

proof of good health requirement.

★C. Any election made continues in effect during continuous obligation to perform duty in the same Uniformed Service, including any active duty for a period of more than 30 days. For mobilization, see Table 47-1, rule 8.

580703. Periods of Coverage. See Table 47-1.

580704. Appellate Leave. See Chapter 47, section 4705.

580705. Forfeiture of SGLI. See provisions of Chapter 47, section 4706.

580706. Deductions (SGLI Premiums)

A. General. Amounts for premium deductions are \$1.00 for each \$10,000 of coverage per fiscal year. The premium due is for the entire fiscal year without regard for any portion of which a member serves. The annual premium is collected from the member's pay account during the first period of duty each year in which the member is in a pay status. The premium is not prorated.

B. Election Changes. Amounts deducted for coverage before the effective date of a waiver of coverage or before an election of a lesser amount of coverage are not refunded. Should a member elect increased coverage during a year in which a duty period has already been performed, collect the difference (between the higher annual premium and the premium previously collected) during the first period of duty in which the member is in a pay status that same year, if applicable.

580707. Refunds. See Chapter 47, section 4708.

580708. Settlement of SGLI Claims. See Chapter 47, section 4710.

580709. Retired Reserves. SGLI coverage terminates on the day a member is assigned to (or who upon application would be eligible for assignment to) the Retired Reserve. These members may apply for and receive retired coverage until they receive their first increment of retired pay or until they reach 61 years of age, whichever occurs first. Anyone on medical hold must apply directly to the Office of Servicemen's Group Life Insurance (OSGLI) for coverage. Members are covered on a full-time basis and must pay their own premiums directly to the OSGLI.